

Executive Summary

This engagement was undertaken as part of a joint effort of the Legislative Fiscal Office, Department of Administrative Services, and several internal audit functions within State of Oregon agencies as part of an effort to improve the reporting and evaluation of Key Performance Measures (KPM). The KPMs are a crucial means of communicating Oregon Department of Forestry (Department) performance on important, high-level objectives intended to achieve the mission of the Department and in some cases affect Oregon Benchmarks.

This engagement reviewed two KPMs reported in the agency's FY06 and FY07 *Annual Performance Progress Report*. The two measures reviewed were Forest Practices Act (FPA) Compliance (KPM #11 FY07; KPM #12 FY06) and Fire Suppression Effectiveness (KPM #14 FY07; KPM #15 FY06). These two measures were chosen for review based upon their relation to important Department operational outcomes.

The most significant concerns identified were associated with the reporting of the FPA Compliance KPM, which the review determined could not be verified. Thirty-five percent of stewardship foresters reported that they had not issued citations in cases when they felt one was warranted. Stewardship Foresters most frequently reported they did not issue citations for non-compliance because they felt they could obtain compliance without issuing a citation. Private Forests management expects that enforcement be uniform and citations issued when warranted by events. Due to the proportion of stewardship foresters reporting not taking enforcement action and the potential of a considerable number of these cases affecting the accuracy of the FPA Compliance KPM, the review determined the measure was not able to be verified. In addition, the reported percentage of compliance was based upon an incorrect count of operations inspected. The use of the data only reduced the reported percentage of compliance by a 0.5%, but is a considerable concern for appropriate reporting. Additional issues and control concerns were pointed out regarding the appropriate management of the risk of unreliably reporting related to guidance for preparing the KPM and including sufficient descriptive information about the FPA Compliance KPM when reporting.

The Fire Suppression Effectiveness KPM was verified accurate by this review. There were some concerns related to application and database controls being sufficient to prevent erroneous editing of the FIRES database. Additional issues and control concerns were pointed out regarding the appropriate management of the risk of unreliably reporting related to guidance for preparing the KPM and including sufficient descriptive information about the Fire Suppression Effectiveness KPM when reporting.

It is recommended that:

Private Forests division management establish sufficient guidance, training, and supervision that ensures stewardship foresters and their supervisors are aware of expectations and consistently enact the enforcement expectations of the division for FPA violations.

Private Forests division and IT section management provide sufficient oversight to ensure that correct data elements and methodology are used in the calculation of the FPA Compliance KPM.

Private Forests division management ensure training and guidance provided to users of the FACTS application is sufficient to prevent incorrect data entry into the FACTS database.

Private Forests division and IT section management ensure guidance is provided to staff that includes the roles, responsibilities, methodology, and data elements for correctly preparing and calculating the FPA Compliance KPM.

Private Forests division management ensure sufficient descriptive information accompanies the future reporting of the FPA Compliance KPM.

Fire Protection division and IT section management should develop adequate FIRES application and database access controls that prevent unintended editing of FIRES data.

Fire Protection division and IT section management ensure guidance is provided to staff that includes the roles, responsibilities, methodology, and data elements for correctly preparing and calculating the Fire Suppression Effectiveness KPM.

Fire Protection division management ensure sufficient descriptive information accompanies the future reporting of the Fire Suppression Effectiveness KPM.